



**FIRST
NATIONAL
MANAGEMENT
INCORPORATED**

ORIGINAL



0000081310

P.O. Box 1020

3880 S. De Niza Rd. - Apache Junction, AZ 85219 2802
(480) 677-6080 • Fax (480) 677-6082

RECEIVED

2008 JAN 29 P 12:47

January 28, 2008

Blessing N. Chukwu,
Executive Consultant III
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 8507

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Re: Beardsley Water Company – Application for the extension of its Certificate of Convenience and Necessity Docket No. W-02074A-07-0616

Dear Ms. Chukwu:

First National Management, Inc. is the agent for the Beardsley Water Company. In response to your Insufficiency Letter we will align the responses in accordance with your numeric deficiencies.

- 1) PLEASE PROVIDE A REQUEST FOR SERVICE FROM EACH OF THE PROPERTY OWNERS IN THE EXTENSION AREA.

There is only one property owner in the extension area. A copy of their request for domestic water service is attached.

- 2) PLEASE PROVIDE A MAP OF THE REQUESTED SERVICE TERRITORY WITH AN IDENTIFICATION OF THE RESPECTIVE OWNERS REQUESTING SERVICE.

Attached is a map of the requested service territory. There is only one property owner who is identified as follows: Valley Realty Advisors, LLC

P.O. Box 15608

Phoenix, AZ 85060

Attn: Mr. Doug Smith, Manager

- 3) PLEASE PROVIDE INFORMATION ON THE RATES AND CHARGES THE COMPANY PLANS TO CHARGE IN THE PROPOSED EXTENSION AREA.

Rates and charges will be in accordance with the Company's tariff currently on file with the Arizona Corporation Commission.

Arizona Corporation Commission
DOCKETED

JAN 29 2008

DOCKETED BY	nr
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- 4) PLEASE PROVIDE ACREAGE INFORMATION OF THE COMPANY'S EXISTING CC&N AND REQUESTED AREA (SEPARATELY).

The existing CC&N consists of 5,440 acres. The proposed service area would add 391.9 acres.

- 5) ACCORDING TO THE 2006 ANNUAL REPORT, THE COMPANY HAS FIVE WATER SYSTEMS. PLEASE PROVIDE A MOST RECENT MCESD DRINKING WATER COMPLIANCE REPORT FOR EACH WATER SYSTEM.

Attached are copies of the Drinking Water Compliance Reports for each of the Company's five water systems. Please note that PWS #07-511 does not meet the minimum requirements of a public water systems because there are only four houses in the subdivision of which two are occupied and two are unoccupied models. To qualify as a public water system, there must be fifteen connections or a population of twenty-five persons. The remaining four water systems are deemed to be in compliance.

- 6) THE COMPANY'S ANNUAL REPORTS DID NOT PROVIDE SEPARATE WATER USE DATA SHEETS FOR EACH WATER SYSTEM, AS REQUIRED. IN ORDER FOR STAFF TO DETERMINE HISTORICAL CUSTOMERS GROWTH RATE IN THE EXISTING AREA, PLEASE PROVIDE THE NUMBER OF CUSTOMERS SERVED BY THE PUBLIC WATER SYSTEM #07-528 IN THE EXISTING AREA IN EACH OF THE LAST FIVE YEARS.

PWS #07-528 is the Peak View Ranch Unit 1 subdivision. Occupancy for the last five years is as follows.

2002	0
2003	0
2004	0
2005	25
2006	69

Currently, there are 81 customers.

- 7) PLEASE CLARIFY THE FOLLOWING ITEMS IN THE WATER USE DATA SHEET (ATTACHMENT "D" OF THE APPLICATION).

- a. APPLICATION INDICATES ADWR WELL NUMBER 55-594027. HOWEVER, 2006 ANNUAL REPORT INDICATES NUMBER 55-595072. WHICH ONE IS CORRECT?

The correct ADWR well number is 55-594027



b. DOES THIS WATER SYSTEM HAVE FIRE HYDRANTS?

Yes. This system has 26, 6" fire hydrants.

8) TO SUPPORT THE TOTAL ESTIMATED COST OF \$1,140,000 TO CONSTRUCT FACILITIES TO SERVE CUSTOMERS IN THE REQUESTED AREA, PLEASE PROVIDE THE FOLLOWING:

- a) A COMPLETE DESCRIPTION OF THE PROPOSED ADDITIONAL FACILITIES SUCH AS SOURCE(S) OF WATER SUPPLY (INTERCONNECTION WITH EXISTING PLANT, IF ANY), STORAGE, BOOSTER, AND DISTRIBUTION FACILITIES.

Peak View Ranch Units 4 and 5 will be a stand alone system requiring a well, Pressure tank, booster station and storage. At such time as Peak View Ranch Unit 3 is developed, Unit 3 and 4 will be connected. A more detailed description of the proposed additional facilities prepared by Moore and Associates Engineers is attached.

- b) A DETAILED COST ESTIMATE OF THE PROPOSED ADDITIONAL FACILITIES NECESSARY TO SERVE THE PROPOSED CC&N EXTENSION AREA. THE ESTIMATE SHOULD INCLUDE A DESCRIPTION AND COST OF MAJOR COMPONENTS.

A cost estimate of the additional facilities necessary to serve the cc&n extension area has been prepared by Moore and Associates Engineers. A copy of the cost estimate is attached. Please note, the estimated cost of \$1,140,000 did not include a water campus. The increase in the estimate to \$1,543,093.50 is the addition of the water campus.

9) PLEASE INDICATE WHO WILL BE PROVIDING WASTEWATER SERVICE IN THE PROPOSED EXTENSION AREA.

Each lot will utilize a septic tank for wastewater treatment and disposal.

10) PLEASE PROVIDE INFORMATION ON THE RATES AND CHARGES THE THE COMPANY PLANS TO CHARGE IN THE PROPOSED EXTENSION AREA.

Please see response to item three above.



- 11) PLEASE PROVIDE A COPY OF THE FRANCHISE AGREEMENT THAT INCLUDES THE PROPOSED EXTENSION AREA. IF THE FRANCHISE AGREEMENT(S) HAVE NOT BEEN ISSUED, PLEASE INFORM STAFF OF THE STATUS OF THE APPLICATION FOR THE FRANCHISE AGREEMENT.

A franchise application was submitted for approval on December 10th, 2007.
A public hearing is to be scheduled for sometime in February, 2008.
A copy of the application is attached for your reference.

- 12) PLEASE PROVIDE A COPY OF THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY'S APPROVAL TO CONSTRUCT THE WATER FACILITIES TO SERVE THE PROPOSED EXTENSION AREA. IF THE APPROVAL TO CONSTRUCT HAS NOT BEEN ISSUED, PLEASE INFORM UTILITIES DIVISION STAFF ("STAFF") OF THE STATUS OF THE APPLICATION FOR THE APPROVAL TO CONSTRUCT.

An application for an Approval To Construct (ATC) will be submitted at such time as the developer, Valley Realty Advisors, L.L.C. submits plans for approval to Maricopa County Environmental Services Department.

- 13) PLEASE PROVIDE A COPY OF THE ARIZONA DEPARTMENT OF WATER RESOURCES ("ADWR") DESIGNATION OF ASSURED WATER SUPPLY OR CERTIFICATE OF ASSURED WATER SUPPLY FOR THE CC&N AREA REQUESTED. IF NONE OF THESE ARE AVAILABLE, PLEASE PROVIDE A COPY THE ADWR'S PHYSICAL AVAILABILITY DETERMINATION. IF A DETERMINATION OF ASSURED WATER SUPPLY HAS NOT BEEN OBTAINED FROM ADWR, PLEASE INFORM STAFF OF THE STATUS OF THE APPLICATION FOR THAT DETERMINATION.

As the Commission is aware, the public service corporation providing water utility service does not control the application for or granting of a Designation of Assured Water Supply or Certificate of Assured Water Supply from the Arizona Department of Water Resources. The developer who has requested service, Valley Realty Advisors, L.L.C. has not yet submitted its application for a Designation of Assured Water Supply or Certificate of Assured Water Supply. No Physical Availability Determination exists for the requested CC&N extension area as of this date. The developer will make its application for the appropriate designation, certificate of determination with the Arizona Department of Water Resources at the time it receives approval of its preliminary plat covering the subject area.



We trust the above responses meet with your approval however, should you have any further questions or comments regarding this matter, please contact us.

Sincerely,

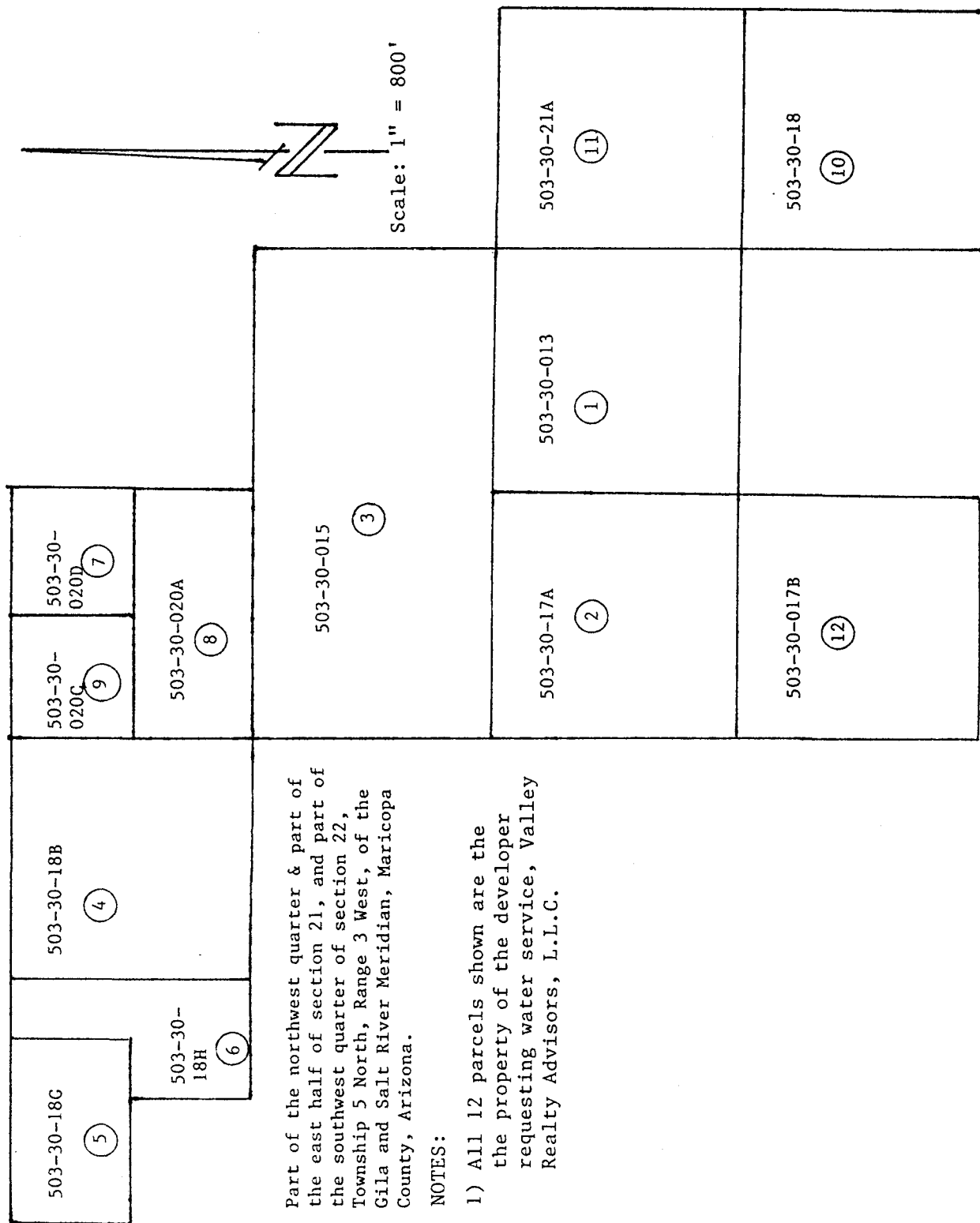
Fred T. Wilkinson
President

Cc: RF

File

Valley Realty Advisors, L.L.C.
Mr. Steve Hirsch, Bryan Cave

BEARDSLEY WATER COMPANY
Proposed extension area



Part of the northwest quarter & part of the east half of section 21, and part of the southwest quarter of section 22, Township 5 North, Range 3 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

NOTES:

- 1) All 12 parcels shown are the property of the developer requesting water service, Valley Realty Advisors, L.L.C.

VALLEY REALTY ADVISORS, LLC

PO BOX 15608

PHOENIX, AZ 85060

602.300.2430

FAX 480.922.1000

September 10, 2007

Via messenger

Mr. Ted Wilkinson
President
First National Management Inc.
PO Box 1020
Apache Junction, AZ 85219

RE: REQUEST FOR WATER SERVICE BY BEARDSLEY WATER CO.

Part of the NWQ & part of the East half of Section 21 and

Part of the SWQ of Section 22, T5N, R3W of the GSRM, Maricopa County, AZ

Dear Ted:

Pursuant to your letter of August 28, 2007 and our meeting with Beardsley Water Company's attorney, Steven Hirsch; Valley Realty Advisors (VRA) is hereby formally requesting that Beardsley Water Co. provide water service to some 400 acres VRA owns on property known as Peak View Ranch Phases 4 & 5, in the Wittmann area of Maricopa County.

Enclosed please find a legal description of the property, an ALTA Survey and a conceptual site plan for one-acre lots to be platted pursuant to Maricopa County zoning requirements. You will note that Peak View Ranch Phases 4 & 5 are immediately north of and adjacent to Peak View Ranch Phases 1, 2 and 3; each of which is in Beardsley's service area and each of which possesses "will serve" letters from Beardsley.

We would like to move forward expeditiously on this application and look forward to working with you. Please advise me if you need any additional information at this time.

Best regards,
VALLEY REALTY ADVISORS



Doug Smith, Manager

Encl. As indicated



Maricopa County

Environmental Services

Water and Waste Management
Division
801 N. Central Avenue #150
Phoenix, Arizona 85004
Phone: (602) 506-6666
Fax: (602) 506-6925
DCL (602) 506-6704

Notification of Sanitary Survey Results

April 28, 2006

Fred T. Wilkinson
First National Management Inc.
P.O. Box 1020
Apache Junction AZ 85217

Re: Inspection of 4/26/06 for PWS 07-007

Dear Mr. Wilkinson:

On April 26, 2006 I performed a sanitary survey of the Beardsley Water Company water system. The sanitary survey consists of three parts: an operations and maintenance inspection of the water system; a review of required plans; and a review of monitoring and reporting history. Based on the review of information available, we currently show the water system is in compliance with the Safe Drinking Water Rule for this date.

Operations and Maintenance

Enclosed, please find a copy of your inspection forms. The inspected site(s) did not violate any Safe Drinking Water Rules. However, I would like to mention that the new hydropneumatic pressure tank and storage tank must have plans submitted with a detailed itemized price list, prior to connection of this equipment to the water system, in order to qualify for the engineering review exemption. Please submit the drawings and price list no later than May 31, 2006.

If this department is made aware of new or different information, the compliance status may change. If you have any questions or need additional information on the requirements for a public water system operating in Maricopa County, please feel free to contact me at 602-506-6631.

Sincerely,

A handwritten signature in black ink that reads "Doug Taylor, R.S.".

Doug Taylor, R.S.
Water Systems Investigator
Drinking Water Program

cc ADEQ
John Kolman, R.S.

INSPECTION RESULTS/ GROUND WATER

MARICOPA COUNTY
ENVIRONMENTAL SERVICES DEPARTMENT

WATER & WASTE MANAGEMENT DIVISION
1001 North Central Ave., Suite 150
Phoenix, AZ 85004
Phone (602) 506-6666 : Fax (602) 506-6925

Facility information

PWSID # 09 58

Facility Name: Green's Land

Address: Patton 44234

Well Information

POE # 021, DWR# 3

Ver 4/26/00

Based on an inspection conducted today the following deficiencies were noted and require corrective action.

[illegible]

All Deficiencies denoted in bold or an " * " represents a potential health risk and will require immediate action.

TODAY'S OPERATIONAL AND MAINTENANCE INSPECTION HAS SHOWN THAT THIS FACILITY TO BE IN:

☐ COMPLIANCE ☐ SUBSTANTIAL-COMPLIANCE ☐ NONCOMPLIANCE (MINOR) ☐ NONCOMPLIANCE (MAJOR)

Inspection Performed By: John J. ... Date: ... / ... / ...; Phone ...

Received By: _____ Date: ____/____/____ : Phone _____



Maricopa County
Environmental Services Department

PUBLIC WATER SYSTEM COMPLIANCE STATUS REPORT

System Name: Beardsley Water Company #3
PWS ID#: 07-511

Type of System: Community Number of POE's: _____ Surface Water: _____
Number of Service Connections: _____ Population Served: _____

Assigned Monitoring Dates - Initial: _____ Phase II: _____ Phase V: _____

Does the water system have a Certified Operator? _____

Does the system have major treatment plant deficiencies? _____
Please describe: _____

Date of last Sanitary Survey: _____

Does the system have major O & M deficiencies? _____
Please describe: This water system was deactivated on September 26, 2006. As of the date of this review, this Department has not information from the water system or water system owner requesting water system reactivation. Therefore, the compliance status cannot be determined.

Does the system have water quality monitoring/reporting deficiencies? _____
Please describe: _____

General Public Water System Compliance Status? Not able to determine

Date of compliance review: _____ By: Doug Taylor R.S. Initials: _____
Phone: (602) 506-6631

Requested By: _____ Fax Number/ Contact: _____ Tracking Number: _____
Supervisor Initials: [Signature] Date: _____

Drinking Water Program
John Kolman, Manager

1001 N. Central Ave., Suite 150 Phoenix, Arizona 85004-1940 Phone: (602) 506-6666 Fax: (602) 506-6925

*COMPLIANT
3-25-08*



Maricopa County
Environmental Services

Rec'd
12-28-05
Fax to Ted
@ FNM

Water and Waste
Management Division
Drinking Water Program
1001 N. Central Ave., Suite 150
Phoenix, Arizona 85004-1940
Phone: (602) 506-6666
Fax: (602) 506-6925

Monitoring Reduction Request

December 23, 2005
Attn: Mr. Gary Brasher
Beardsley Water Company #3
Attn: Mr. Boyd Weed
P.O. Box 34237,
Phoenix AZ 85067-4237

Re: PWS #07-511, Monitoring Reduction Request

Dear Mr. Weed:

At this time the Department is unable to process the monitoring reduction request for VOC/524 submitted by Water Treatment Operators. The Department placed the water system in a non-regulated status in 2005 due to the fact the water system does not meet the minimum requirements of a public water system.

If you have questions regarding reduced monitoring for public water systems located in Maricopa County, please contact Duncan Wright at (602) 506-5173 or dwright@mail.maricopa.gov

Sincerely,

A handwritten signature of Duncan Wright, consisting of a stylized 'D' and 'W'.

Duncan Wright.
Water Systems Investigator

cc: ADEQ
Joe Fiano, R.S.

Received By James E. [unclear] Date 10/1/77 Phone 48-587-6435



Maricopa County

Environmental Services

Water and Waste Management
Division
1001 N. Central Avenue #150
Phoenix, Arizona 85004
Phone: (602) 506-6666
Fax: (602) 506-6925
TDD: (602) 506-6714

Notification of Sanitary Survey Results

April 20, 2006

Fred T. Wilkinson, President
First National Management Incorporated
P.O. Box 1020
Apache Junction, AZ 85217

Re: Inspection of 4/14/06 for PWS 07-528

Dear Mr. Wilkinson:

On April 14, 2006 I performed a sanitary survey of the Beardsley #5 water system. The sanitary survey consists of three parts: an operations and maintenance inspection of the water system; a review of required plans; and a review of monitoring and reporting history. Based on the review of information available, which includes your facsimile of corrective action dated April 17, 2006, this Department shows the water system is in **compliance** with the Safe Drinking Water Rule for this date.

If this department is made aware of new or different information, the compliance status may change. If you have any questions or need additional information on the requirements for a public water system operating in Maricopa County, please feel free to contact me at 602-506-6631 or dtaylor@mail.maricopa.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Doug Taylor R.S.", written in a cursive style.

Doug Taylor, R.S.
Water Systems Investigator/Environmental Specialist
Drinking Water Program

cc ADEQ

John Kolman, R.S.
Aimee Upton, Enforcement Manager

BEARDSLEY WATER COMPANY
QUESTION NO.8.a

The following is a description of the proposed additional facilities necessary to serve Peak View Ranch Units 4 and 5 as requested in the Insufficiency Letter of November 21, 2007.

- 1) 8' diameter gravel packed well drilled to 1,000 feet.
- 2) 250 gallon per minute pump and motor.
- 3) Electrical service and controls.
- 4) Well chlorinator
- 5) 150,000 gallon water storage reservoir
- 6) 4 pump booster station. 3 rotating pumps and one jockey pump to handle peak flows plus fire flow of 1,000 gallons per minute with controls.
- 7) 5,000 gallon hydro pneumatic tank with compressor, sight tube and Controls.
- 8) Well site grading and retention basin construction.
- 9) Masonry concrete block wall with 20 foot sliding gate.



MOORE & ASSOCIATES, INC.

Consulting Engineers

21461 Lakefront Drive
Lago Vista, TX 78645
(512) 514-0496
(928) 713-3849
tmoore004@Austin.RR.com

Terry L. Moore, PE, RLS

January 9, 2008

Mr. Fred T. Wilkinson
First National Management, Inc.
P.O. Box 1020
Apache Junction, AZ 85217

RE: Beardsley Water Company
Peak View Ranch, Unit 5 – Cost Estimate

Dear Mr. Wilkinson;

I have had an opportunity to review the Beardsley Water Company Master Plan and confirm the requirements of the infrastructure needed to serve water to the 300 customers anticipated in Unit 5 of Peak View Ranch. The following is a cost estimate for construction of the required infrastructure for your perusal.

PEAK VIEW RANCH UNIT 5 WATER INFRASTRUCTURE COST ESTIMATE

ITEM	DESCRIPTION	ESTIMATED COST
1	32,345 lf 8" C-900 PVC pipe @ \$22.50 plf	\$ 727,762.50
2	7,876 lf 6" C-900 PVC pipe @ \$18.50 plf	145,706.00
3	300 each ¾" Service w/meters @ \$425.00 each	127,500.00
4	35 each 8" GV w/B&C @ \$750.00 each	26,250.00
5.	25 each 6" GV w/B&C @ \$675.00 each	16,875.00
6	50 each 6" Fire Hydrant Assy @ \$1,900 each	95,000.00
7	1,000 ft 8" cased gravel packed well	175,000.00
8	250 gpm well pump w/electrical	45,000.00
9	150,000 gallon steel storage reservoir	90,000.00
10	Booster pump station w/electrical	85,000.00
	TOTAL	<u>\$1,534,093.50</u>

Should you have questions or desire additional information please contact me.

Sincerely,


Terry L. Moore, P.E.



**FIRST
NATIONAL
MANAGEMENT**
INCORPORATED

P.O. Box 1020 • Apache Junction, AZ 85217-1020
3880 S. De Niza Rd. • Apache Junction, AZ 85219
(480) 677-6080 • Fax (480) 677-6082

December 10, 2007

The Honorable Board of Supervisors
301 W. Jefferson Street
Phoenix, AZ 85003

First National Management, Inc. is the agent for Beardsley Water Company (BWC). BWC has been approached by Valley Realty Advisors, L.L.C. to provide domestic water service to their development titled Peak View Ranch Units 4 and 5. Peak View Ranch Units 4 & 5 are not within the certificated area of BWC, however, units 4 and 5 abut Units 1 thru 3 which are within the certificated area of BWC.

Unit 1 is fully constructed and currently has 81 homes being served by BWC. A water campus containing a 245 gallon per minute well, 2-60,000 gallon reservoirs, 4,000 gallon pressure tank, 2 – 15 horsepower boosters and 50 horsepower fire pump is in place and operational. A second water campus is scheduled to be constructed with Unit 3 and Unit 4 will be the location of a third water campus.

On October 24, 2007, BWC filed an application with the Arizona Corporation Commission to extend it's Certificate of Convenience and Necessity over the property referred to as Peak View Ranch Units 4 and 5. The application was prepared at the request of Valley Realty Advisors, L.L.C. as evidenced by their letter of September 10, 2007, a copy of which is attached.

BWC has prepared an application for a franchise over those properties owned by Valley Realty Advisors, L.L.C. and herewith submits said application for your consideration.

Should you have any questions or comments regarding the enclosed application, please contact us.

Sincerely,

Fred T. Wilkinson
President

Cc: RF
File

BEFORE THE BOARD OF SUPERVISORS

OF

MARICOPA COUNTY, STATE OF ARIZONA

In the matter of the Application

of

BEARDSLEY WATER COMPANY

)
)
)
)
)
)

APPLICATION FOR A
PUBLIC SERVICE
FRANCHISE

TO THE HONORABLE BOARD OF SUPERVISORS:

The undersigned, a citizen or citizens, and a resident of, or a company doing business in Maricopa County, State of Arizona, hereby petitions your body for a Public Service Franchise to construct, maintain and operate:

- (A) A domestic water distribution system, consisting of pipe lines, meters, connections and all necessary equipment,
- (~~B~~) ~~An irrigation water distribution system, consisting of pipe lines, ditches, gates and all necessary equipment,~~
- (~~C~~) ~~A sewage system, consisting of lines, connections, manholes and all necessary equipment,~~
- (~~D~~) ~~Other -- (Cable TV, Gas, Telephone, etc., describe fully)~~

To serve the residents of (legal description or vicinity of):
Please see legal description attached hereto.

I.

Your petitioner has made application to the Arizona Corporation Commission for a Certificate of Public Convenience and Necessity to exercise the functions of a public utility to service to furnish the service described above to persons living within the area described above, subject to the laws of the State of Arizona. If granted franchise, the petitioner proposes to engage in and carry on in the business as described above and all other things necessary for performing this service to the public in the area.

II.

That your petitioner is financially able to undertake installation and performance of this service within the area for which this franchise is requested.

III.

That by reason of the facts already stated herein, and because this service is not now available to persons now living, or who may live, within the said area hereinbefore described, and because of the further fact that services promptly supplied to waiting customers and prospective applicants will do much to develop and improve the area described, your petitioner respectfully petitions your Honorable Board of Supervisors to grant this application for a right and franchise from the County of Maricopa, State of Arizona. Petitioner will construct, maintain and operate the aforementioned utility for a period to be determined at the hearing on this application, or for a period of one (1) year after the franchised area or a portion thereof is annexed by a municipality, whichever is shorter, along upon, under and across public highways, roads, alleys, and thoroughfares

(excepting State highways) within that portion of Maricopa County hereinbefore described. Also not within the confines of any incorporated city or town and under such restrictions and limitations and under such terms as this Board may provide, not inconsistent with law and order and the rules of the Arizona Corporation Commission and that this Board take such proceedings herein as provided by the laws of the State of Arizona.

DATED at Phoenix, Arizona, this 10th day of December, 2007.

NAME: Fred T. Wilkinson, Agent

ADDRESS: P.O. Box 1020

Apache Junction, AZ 85217

Real property in the County of Maricopa, State of Arizona, described as follows:

PARCEL NO. 1:

THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 2:

THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 3:

THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 4:

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT ALL MINERALS AS RESERVED IN PATENT FROM THE UNITED STATES OF AMERICA.

PARCEL NO. 5:

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER; AND THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT ALL MINERALS AS RESERVED TO THE UNITED STATES IN THE PATENT TO SAID LAND.

PARCEL NO. 6:

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER; AND THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

EXCEPT ALL MINERALS AS RESERVED TO THE UNITED STATES IN THE PATENT TO SAID LAND.

PARCEL NO. 7:

THE EAST HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT ALL MINERALS AS RESERVED IN DOCUMENT NO. 84-0409142 AND THEREAFTER ASSIGNMENT RECORDED IN DOCUMENT NO. 85-0571969, RECORDS OF MARICOPA COUNTY, ARIZONA.

PARCEL NO. 8:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT ALL MINERALS AS RESERVED IN DOCUMENT NO. 84-0409142 AND THEREAFTER ASSIGNMENT RECORDED IN DOCUMENT NO. 85-0571969, RECORDS OF MARICOPA COUNTY, ARIZONA.

PARCEL NO. 9:

THE WEST HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT ALL MINERALS AS RESERVED IN DOCUMENT NO. 84-0409142 AND THEREAFTER ASSIGNMENT RECORDED IN DOCUMENT NO. 85-0571969, RECORDS OF MARICOPA COUNTY, ARIZONA.

PARCEL NO. 10:

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT.

PARCEL NO. 11:

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT.

PARCEL NO. 12:

THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

VALLEY REALTY ADVISORS, LLC

PO BOX 15608

PHOENIX, AZ 85060

602.300.2430

FAX 480.922.1000

September 10, 2007

Via messenger

Mr. Ted Wilkinson
President
First National Management Inc.
PO Box 1020
Apache Junction, AZ 85219

RE: REQUEST FOR WATER SERVICE BY BEARDSLEY WATER CO.

Part of the NWQ & part of the East half of Section 21 and
Part of the SWQ of Section 22, T5N, R3W of the GSRM, Maricopa County, AZ

Dear Ted:

Pursuant to your letter of August 28, 2007 and our meeting with Beardsley Water Company's attorney, Steven Hirsch; Valley Realty Advisors (VRA) is hereby formally requesting that Beardsley Water Co. provide water service to some 400 acres VRA owns on property known as Peak View Ranch Phases 4 & 5, in the Wittmann area of Maricopa County.

Enclosed please find a legal description of the property, an ALTA Survey and a conceptual site plan for one-acre lots to be platted pursuant to Maricopa County zoning requirements. You will note that Peak View Ranch Phases 4 & 5 are immediately north of and adjacent to Peak View Ranch Phases 1, 2 and 3; each of which is in Beardsley's service area and each of which possesses "will serve" letters from Beardsley.

We would like to move forward expeditiously on this application and look forward to working with you. Please advise me if you need any additional information at this time.

Best regards,
VALLEY REALTY ADVISORS



Doug Smith, Manager

Encl. As indicated